

Message Text

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64

ACTION OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 TRSE-00 /060 W

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R 092025Z JAN 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 1268

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMCONSUL BELEM

AMCONSUL PORTO ALEGRE

AMCONSUL RECIFE

AMCONSUL SALVADOR

LIMITED OFFICIAL USE BRASILIA 212

E.O. 11652: N/A

TAGS: EFIN, BR

SUBJECT: OPIC INSURANCE RATIONING IN BRAZIL

REF: STATE 2024

1. EMBASSY HAS NO OBJECTION TO THE INSURANCE RATIONING AS OUTLINED IN REFTEL. WE BELIEVE IT ESSENTIAL, HOWEVER, THAT WE HAVE OPPORTUNITY TO DISCUSS AND EXPLAIN CHANGES TO SENIOR CENTRAL BANK OFFICIALS BEFORE POLICY IS IMPLEMENTED. WASHINGTON AUTHORIZATION TO DO THIS IS THEREFORE REQUESTED.

2. WITH REFERENCE TO PUBLICITY, EMBASSY PREFERENCE IS TO PLAY ISSUE IN LOW-KEY TO AVOID SPECULATION THAT DECISION MAY POSSIBLY BE PROMPTED BY LACK OF CONFIDENCE IN BRAZILIAN ECONOMY. TO ACCOMPLISH THIS, WE RECOMMEND THAT NO PRESS STATEMENT BE ISSUED, BUT THAT GUIDANCE BE PREPARED TO RESPOND ONLY TO SPECIFIC INQUIRIES FROM PRESS AND FROM INDUSTRY. GUIDANCE SHOULD NOTE THAT ANY BANK MUST HAVE BALANCED PORTFOLIO, THAT LIMITS ON EXPOSURE IN ANY SINGLE COUNTRY HAVE BEEN SET BY OPIC, THAT SINCE LIMIT IS BEING REACHED IN CASE OF BRAZIL, OPIC WILL HENCEFORTH CONSIDER GUARANTEES ONLY FOR INVESTMENTS IN
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LESS-DEVELOPED AREAS OF BRAZIL OUTSIDE OF RIO DE JANEIRO

AND SAO PAULO AREAS, DEFINED AS FOLLOWS:

A. RIO - THE STATE OF GUANABARA AND THE IMMEDIATELY
ADJACENT (EXCLUDING NITEROI) INDUSTRIALIZED FRINGES OF
THE CITY OF RIO DE JANEIRO.

B. AO PAULO - THAT PORTION OF SAO PAULO STATE EAST
OF 48 DEGREES LONGITUDE AND BETWEEN 22 DEGREES
ND 24
DEGREES SOUTH LATITUDE.
CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, INVESTMENT GUARANTEES, INSURANCE LAW
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Draft Date: 09 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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